

REMARKS

Reconsideration of this application is requested.

Claims 1-28 have been rejected by the Examiner under 35 USC §112 for being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention. The claims have been amended to remove any indefiniteness.

Claims 1-5, and 8-28 have been rejected by the Examiner under 35 USC §103(a) as being unpatentable over Chong (U.S. Patent No. 5,335,169) in view of Francisco et al. (U.S. Patent No. 6,078,899) and Appendix A of RFP 6/1/2000.

Chong discloses the following in column 4, lines 43-62:

“In Appendix A, an example of the screen interface with the user for the customer file maintenance module 31 is shown. This input interface allows the user to add new customer data records, change existing records, or delete inactive records. In particular, the input screen has field (1) for entering a customer identification number, field (2) for the customer name, fields (3-7) for the address, field (16) for the customer location code, field (24) for the tax rate code, and field (25) for the tax type code.

The customer location code indicates the applicable state taxing authority for sales to that customer. The code number is indexed to the corresponding support file generated by the tax authority (customer location) maintenance module 32. For the specific application of sales tax reporting, the primary tax authority for a company in the U.S. is the state and city or county where the company is located.

The tax rate code corresponds to the tax percentage that this customer is normally subject to.”

Francisco discloses the following in column 1, lines 44-53:

“Sales tax rates and the items taxed vary from state to state. In most states, a Certificate of Authority is issued by the state government to retail establishments, this certificate authorizing retailers to collect sales tax from public consumers and then, in turn, pay over all collected sales tax proceeds to the state treasury. When cash transactions occur or inadequate records

are kept, retailers sometimes fail to report the transactions and do not turn over the sales tax collected thereon.”

Francisco discloses the following in column 2, lines 16-28:

“The consumer has no way of knowing if the collected sales tax is being turned over to the appropriate authorities.

It is apparent from the above that there exists a need in the art for a system and corresponding equipment and method to be implemented which increases the percentage of retailer transactions and collected sales tax forwarded to state and federal government agencies. By ensuring that a larger percentage of retail transactions are reported to taxing authorities and that a greater amount of the overall sales tax collected by retailers is paid over to state treasuries, local and federal economies can be more efficiently run and a lesser number of violators will slip through the cracks.”

The following appears in the RFP in Appendix A on page 25 under the heading /.

Model 1:

“Description: Under this model, a retailer selects a CSP as an agent to perform all the retailer’s sales tax functions. The agent then determines the amount of tax due, pays the tax to the states, and files returns with the states using a CAS.”

Chong, Francisco or RFP, taken separately or together, do not disclose or anticipate the method for collecting sales and/or use taxes claimed in claim 1 as amended and those claims dependent thereon. The cited references do not disclose or anticipate a method in which the agent does not reveal to the taxing jurisdiction the identity of the seller. An advantage of the foregoing is that the seller may not want the taxing jurisdiction to know its identity. The seller may agree that it has an obligation to collect sales and/or use taxes for the tax jurisdiction, but that it does not have an obligation to comply with other rules and regulations of the taxing jurisdiction. Furthermore, the seller may value its privacy.

Claim 17 has been rewritten as a new independent claim. Claim 17 combined claims 1 and 17. The cited references do not disclose or anticipate claim 17 as amended and those claims dependent thereon. The cited references do not disclose or


anticipate a method for collecting sales and/or use taxes in which the agent identifies potential seller fraudulent behavior by running various checks on the segmented information.

New independent claim 29 includes the limitations of claims 1 and 13. The cited references do not disclose or anticipate claim 29 and those claims dependent thereon. The cited references do not disclose or anticipate a method for collecting sales and/or use taxes in which the agent notifies the seller that a taxing jurisdiction is studying its segmented sales and/or use taxes that have been collected.

Claims 6 and 7 have been rejected by the Examiner under 35 USC §103(a) as being unpatentable over Chong, Francisco, Appendix A of the RFP and Longfield (U.S. Patent No. 5,193,057). While it is true that Longfield discloses the filing of tax returns and the financing by an agent, Longfield does not disclose a method in which the agent does not reveal the identity of the seller to the taxing jurisdiction. The cited references also do not disclose or anticipate claim 17 as amended and those claims dependent thereon and new claim 29 and those claims dependent thereon.

In view of the above, claims 1-33 as amended are patentable. If the Examiner has any questions, the resolution of which he believes would be advanced by a telephone conversation with Applicants' attorney, he is invited to contact the undersigned at the telephone number noted below.

Respectfully submitted,



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Version with Markings to Show Changes Made

In the specification:

Page 1, lines 4 and 5:

Reference is made to commonly assigned copending patent application Docket No. ~~F-193~~Serial No. 09/634,040, filed herewith entitled "A Method For Obtaining Secure Receipts For Sales and/or Use Taxes That Are Made Via The Internet and/or Catalog" in the name of Frederick W. Ryan, Jr.

In the claims:

Please delete claim 11.

1. (Amended) A method for collecting sales and/or use taxes on remote sales, said method includes the steps of:
- A) collecting information regarding remote sales made by buyers;
 - B) calculating the correct taxing jurisdictions sales and/or use tax to be paid by buyers for remote sales;
 - C) collecting by sellers from buyers the correct sales and/or use tax;
 - D) collecting by an agent the correct sales and/or use tax received by sellers;
 - E) segmenting by the agent, the seller's sales and/or use taxes and the information collected by the sellers for particular taxing jurisdictions into different data bases, wherein the identity of the seller is not revealed to the taxing jurisdiction; and
 - F) paying each taxing jurisdiction the taxes that are due.

10. (Amended) The method claimed in claim 9, wherein a taxing jurisdiction ~~may~~ will be able to access seller information segmented by the agent for that jurisdiction with an identification number.

12. (Amended) The method claimed in claim 11, wherein the agent reveals the identity of the seller ~~if there is a suspicion of fraud based upon~~ the segmented information identifies improper conduct.

13. (Amended) The method claimed in claim 10, ~~wherein~~ further including the step of notifying a seller ~~is given notice that~~ a taxing jurisdiction is studying its segmented sales and/or use taxes collected.

14. (Amended) The method claimed in claim 10, wherein a seller ~~may~~ will be able to review the seller's segmented sales and/or use taxes collected before the taxing jurisdiction studies the seller's segmented sales and/or use taxes collected.

15. (Amended) The method claimed in claim 10, wherein a taxing jurisdiction ~~may~~ will be able to access the segmented sales and/or use taxes collected only after specified time period has passed.

17. (Amended) ~~The method claimed in claim 1, further including the step of: A~~
method for collecting sales and/or use taxes on remote sales, said method
includes the steps of:

A) collecting information regarding remote sales made by buyers;

B) calculating the correct taxing jurisdictions sales and/or use tax to be paid by
buyers for remote sales;

C) collecting by sellers from buyers the correct sales and/or use tax;

D) collecting by an agent the correct sales and/or use tax received by sellers;

E) segmenting by the agent, the seller's sales and/or use taxes and information
collected by the sellers for particular taxing jurisdictions into different data bases;

F) paying each taxing jurisdiction the taxes that are due; and

G) identifying by the agent potentially seller fraudulent behavior by running
various checks of the segmented information.

18. (Amended) The method claimed in claim 17, further including the step of:
identifying a ~~strange~~ drop-off in the number of seller transactions in the
segmented information.

24. (Amended) The method claimed in claim 17, further including the step of:
~~and~~ identifying patterns that indicate that a seller may not be reporting the entire
amount of taxes collected.

27. (Amended) The method claimed in claim 1, wherein an agent pays a taxing
jurisdiction taxes that are due to ~~ether~~different taxing jurisdictions.

Please add claims 29, 30, 31, 32, and 33:

29. A method for collecting sales and/or use taxes on remote sales, said method includes the steps of:

- A) collecting information regarding remote sales made by buyers;
- B) calculating the correct taxing jurisdictions sales and/or use tax to be paid by buyers for remote sales;
- C) collecting by sellers from buyers the correct sales and/or use tax;
- D) collecting by an agent the correct sales and/or use tax received by sellers;
- E) segmenting by the agent, the seller's sales and/or use taxes and information collected by the sellers for particular taxing jurisdictions into different data bases;
- F) paying each taxing jurisdiction the taxes that are due;
- G) accessing seller information segmented by the agent by the taxing jurisdiction; and
- H) notifying a seller that a taxing jurisdiction is studying its segmented sales and/or use taxes collected.

30. The method claims in claimed 29, wherein the buyer information segmented by the agent may be accessed by an identification number.

31. The method claimed in claim 29, wherein the seller information segmented by the agent may be accessed by an identification number.

32. The method claimed in claim 31, wherein a taxing jurisdiction may access seller information segmented by the agent for that jurisdiction with an identification number.

33. The method claimed in claim 32, wherein the identity of the seller remains secret.